

## **Assembly Bill No. 1291**

### **CHAPTER 504**

An act to amend Section 74.5 of the Revenue and Taxation Code, relating to seismic improvements, and making an appropriation therefor.

[Approved by Governor September 27, 1999. Filed  
with Secretary of State September 27, 1999.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

AB 1291, Corbett. Seismic improvements.

(1) The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as the assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value" or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. The California Constitution authorizes the Legislature to exclude from "new construction" requiring reappraisal the construction or installation in existing buildings of certain seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies. Statutory law implementing this authority excludes only those projects completed on or after January 1, 1991, and before July 1, 2000. These statutory provisions are repealed by their own terms as of July 1, 2000.

This bill would revise the definition of "seismic retrofitting improvements" and would eliminate the repeal of the exclusion as of July 1, 2000.

By requiring local officials to administer this reappraisal exclusion on an ongoing basis, this bill would impose a state-mandated local program.

(2) Under existing law, the Seismic Safety Commission is authorized to use up to 1% of the proceeds of bonds issued and sold pursuant to the Earthquake Safety and Public Buildings Bond Act of 1990 for specific research and development purposes.

This bill would appropriate \$145,000 from the Earthquake Safety and Public Buildings Rehabilitation Fund of 1990 to the commission for programs pursuant to these provisions.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000

statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(4) Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 74.5 of the Revenue and Taxation Code is amended to read:

74.5. (a) For purposes of paragraph (4) of subdivision (c) of Section 2 of Article XIII A of the California Constitution, “newly constructed” and “new construction” does not include seismic retrofitting improvements and improvements utilizing earthquake hazard mitigation technologies, to an existing building or structure.

(b) For purposes of this section:

(1) “Seismic retrofitting improvements” means retrofitting or reconstruction of an existing building or structure, to abate falling hazards from structural or nonstructural components of any building or structure including, but not limited to, parapets, appendages, cornices, hanging objects, and building cladding that pose serious danger. “Seismic retrofitting improvements” also means either structural strengthening or providing the means necessary to reduce seismic force levels that would otherwise be experienced by an existing building or structure during an earthquake, so as to significantly reduce hazards to life and safety while also providing for the substantially safe ingress and egress of building occupants during and immediately after an earthquake. “Seismic retrofitting improvements” does not include alterations, such as new plumbing, electrical, or other added finishing materials, made in addition to seismic-related work performed on an existing structure. “Seismic retrofitting” includes, but is not limited to, those items referenced in Appendix Chapters 5 and 6 of the Uniform Code for Building Conservation of the International Conference of Building Officials.

(2) “Improvements utilizing earthquake hazard mitigation technologies” means improvements to existing buildings identified by a local government as being hazardous to life in the event of an



earthquake that utilize earthquake hazard mitigation technologies approved by the State Architect pursuant to Section 16102 of the Health and Safety Code.

(c) The property owner, primary contractor, civil engineer, or architect shall certify to the building department those portions of the project that are seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies. Upon completion of the project, the building department shall report the value of those portions of the project that are seismic retrofitting improvements and improvements utilizing earthquake hazard mitigation technologies to the county assessor.

(d) In order to receive the exclusion, the property owner shall notify the assessor prior to, or within 30 days of, completion of the project that he or she intends to claim the exclusion for seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies. The State Board of Equalization shall prescribe the manner and form for claiming the exclusion. All documents necessary to support the exclusion shall be filed by the property owner with the assessor on or before the following April 15.

(e) The exclusion from “newly constructed” and “new construction” under this section is not applicable to seismic safety reconstruction and improvements that qualify for the exclusion provided in subdivision (d) of Section 70.

(f) This section shall only apply to projects completed on or after January 1, 1991.

SEC. 2. The sum of one hundred forty-five thousand dollars (\$145,000) is hereby appropriated from the Earthquake Safety and Public Buildings Rehabilitation Fund of 1990 to the Seismic Safety Commission for programs pursuant to subdivision (d) of Section 8878.55 of the Government Code.

SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

SEC. 4. Notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made for purposes of Section 1 of this act and the state shall not reimburse any local agency for any property tax revenues lost by it pursuant to Section 1 of this act.

